



Kansas FSA Today

March 2012

An Online Monthly Newsletter Covering the Hottest Topics in Federal Farm Programs

FSA county offices are taking appointments for producers to signup and report acres. Contact your local FSA office as soon as possible to make an appointment.

CRP GENERAL SIGN-UP ENDS APRIL 6

The general signup period for the Conservation Reserve Program (CRP) ends April 6, 2012. CRP has successfully protected our natural resources while providing economic and environmental benefits to rural communities for the past 25 years.

Landowners enrolled in CRP receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on environmentally sensitive land. Land that is not currently enrolled in CRP and land expiring Sept. 30, 2012 can be offered during signup if all eligibility requirements are met. Offers for CRP contracts will be ranked according to the Environmental Benefits Index (EBI). Each eligible offer is ranked in comparison to all other offers and selections are made from the ranking. CRP fact sheets can be obtained online at www.fsa.usda.gov then click on "Find FSA Fact Sheets" under "I Want To...".

Nationwide, there are currently about 30 million acres enrolled in CRP and an estimated 6.5 million acres will expire on Sept. 30, 2012. Kansas has 2.5 million acres enrolled and 517,708 acres will expire on Sept. 30, 2012.

SURE SIGNUP FOR 2010 LOSSES

Signup for the Supplemental Revenue Assistance Payments (SURE) Program for 2010 crop losses will end **June 1, 2012**. SURE is available to eligible producers on:

- farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred at least a 10 percent crop production or quality loss, or both, on all crops grown by a producer nationwide, **except grazed crops**
- farms in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

GRASSLAND RESERVE PROGRAM (GRP)

Applications for GRP in FY 2012 must be submitted by April 24, 2012. Rental contracts can be for periods of 10, 15, or 20 years. Permanent easements are also available for producers interested in a long term conservation arrangement. For more information about GRP rental rates or easement payments, just contact your local county FSA office.

ACREAGE REPORTING DATES

May 31, 2012 – Deadline to Report Fall Seeded Crops

July 15, 2012 – Deadline to Report Spring Seeded Crops and CRP

December 15, 2012 – Deadline to Report 2013 Fall Seeded Crops (planted in fall 2012)

Contact your local FSA county office as soon as possible to make an appointment to report your fall seeded acreage. Producers are reminded to also report acreages to their crop insurance agent. **We encourage producers to report this year's acreages early to get used to the trend of the earlier reporting dates for next year's crops.**



USDA 150th Anniversary Event in Kansas

Date: April 10, 2012

Time: 2:00-5:00 p.m.

Location: USDA ARS
Center for Grain & Animal Health Research,
1515 College Avenue, Manhattan, Kansas

Contact: Tom Shanower (785) 776-2702
USDA ARS, Center Director in Manhattan, KS

Join us as we celebrate the 150th Anniversary of USDA and dedicate new research facilities. An official ceremony will take place at 2 p.m. with state and federal officials. Following the ceremony, USDA agencies located in Kansas will host a resource fair to share information about programs and services offered.



Public is invited to USDA's 150th Anniversary celebration on April 10, 2012 from 2:00-5:00 at the Center for Grain and Animal Health Research, 1515 College Avenue, Manhattan, KS. USDA's Secretary Vilsack will be the keynote speaker. USDA agencies will have resource booths. Tour the new research facilities to be dedicated that day.

HISPANIC AND WOMEN FARMERS

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established. If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation. For additional information on this and other settlement issues contact:

•Hispanic and Women Farmer Claims

Process: www.farmerclaims.gov or call 1-888-508-4429

•Pigford – The Black Farmers Discrimination

Litigation: www.blackfarmercase.com or call 1-866-950-5547

•Keepseagle - The Native American Farmers Class Action Settlement:

www.IndianFarmClass.com or call 1-888-233-5506

MILC PROGRAM REMINDERS

Dairy producers must meet program requirements in order to maintain eligibility in the event that prices drop and trigger a Milk Income Loss Contract (MILC) payment.

To maintain program eligibility, MILC participants must notify their local FSA office of any operation changes, such as a change in producer, shares, address or bank routing number. In order for dairy producers to receive a MILC payment, they must meet adjusted gross income (AGI) requirements by completing, "CCC-931 - AGI Certification and Consent to Disclosure of Tax Information."

Dairy producers who want to enroll in MILC must fill out, "CCC-580 - Milk Income Loss Contract" and select a start-month for which the Commodity Credit Corporation (CCC) will begin issuing payments to the dairy operation. Current dairies that participate in MILC can make changes to their start-month with certain restrictions. Any start-month changes must be made on or before the 14th of the month before the selected MILC production start-month. The change must also be made before requesting payment and before the original MILC production start-month has passed. Changes to the dairy operation start-month must be designated on FSA's form, "CCC-580M - Milk Income Loss Contract (MILC) Modification."

For more information about the MILC program, please contact your local FSA office or visit the web at: www.fsa.usda.gov/ks

COLLECTING RACE, ETHNICITY AND GENDER DATA

Departmental Regulations established policy for collecting race, ethnicity, and gender data for conducting oversight and evaluation of civil rights compliance in programs offered by USDA. Form AD-2106 will be provided to each program participant during signup to collect this data. Even though providing the data is voluntary, FSA encourages participants to complete the form so that FSA can keep our records current.

LOANS FOR THE SOCIALLY DISADVANTAGED

FSA has loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improvement of farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided targeted funding for members of Socially Disadvantaged groups. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as a member of a group. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

GUARANTEED LOANS

FSA offers guaranteed loans up to \$1,214,000. Guaranteed loans are made and serviced by a bank or Farm Credit system. Rates and terms are set by the lender. Loan guarantees are provided upwards of 95% of the credit extended, depending on the type of credit requested. There is a guaranteed loan fee charged of 1.5% of the guaranteed portion. Certain programs have this fee waived, ie: beginning farmer downpayment loans to purchase real estate. Farmers interested in guaranteed loans should apply directly with a conventional lender, who then arranges for the guarantee with FSA; however, local FSA staff can also assist the farmer or rancher in determining which loan (direct or guaranteed) will best fit the operation.

LAND CONTRACT (LC) GUARANTEE PROGRAM

FSA recently unveiled a new Land Contract Guarantee Program designed to help beginning farmers and ranchers. The Land Contract Guarantee Program provides a new approach for landowners willing to sell and finance a land purchase to a beginning or socially disadvantaged farmer. The national program offers two options, one that guarantees up to three annual installment payments on the contract and one that guarantees 90% of the unpaid principal of the contract. Guarantees can be used in the purchase of land for up to \$500,000. Please contact your local FSA office for more information about the Land Contract Guaranteed Program.

BEGINNING FARMERS AND RANCHERS

FSA assists beginning farmers and ranchers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
 - Will materially and substantially participate in the operation of the farm
 - Agrees to participate in any loan assessment and borrower training program in production and/or financial management required by the Agency
 - Does not own farm acreage greater than 30 % of the median size farm in the county.
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FARM LOAN PROGRAM RULE CHANGE

A recent change was made to the Agency's lending rules for all applicants. The change allows more flexibility in the *minimum experience* rule which must be met to become eligible for farm loan assistance. FSA loan officers are now allowed to consider prior farming experience, if experience was gained more than five years ago when supplemented by either on-the-job training or recent education. It is anticipated that this change will provide an opportunity for more family-sized farmers and ranchers to meet eligibility criteria for FSA Farm Operating and Ownership Loans. For clarification or more information on this change, contact your local Farm Loan Manager.

FOREIGN BUYERS NOTIFICATION

The agricultural foreign investment disclosure act (AFIDA) requires all foreign owners of U.S. Agricultural land to report their holdings to the secretary of agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

GOVDELIVERY

FSA no longer has funding to mail newsletters. Producers are encouraged to provide their email address to the local FSA office to receive newsletters and other reminders by email. Your email will automatically be added to our electronic news system 'GovDelivery.' Moving to electronic notifications via email will help conserve resources and save taxpayer dollars. We encourage operators that receive FSA e-news to keep their landowners informed of program signups. Copies of newsletters can be obtained at local FSA offices.

MARKETING ASSISTANCE LOANS

Marketing Assistance Loans, also referred to as Commodity Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Final Availability Dates for Marketing Assistance Loans

April 2-Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat, Sesame Seed

May 31-Cotton, Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, Sunflower Seed

AGI RECONCILIATION

FSA's "Adjusted Gross Income (AGI) Reconciliation Process" begins when FSA is notified that the IRS has not received a valid "Consent to Disclosure of Tax Information" form. There are two distinct reasons a producer is included on an FSA AGI Reconciliation Report:

- IRS did not receive a consent form from the producer or
- IRS rejected the consent form.

If one of these situations is applicable, FSA will contact the producer to obtain a completed CCC-931, Average Adjusted Gross Income (AGI) and Consent to Disclosure of Tax Information

Failure to provide the required AGI forms may render a producer ineligible for FSA program benefits and require repayment of benefits received.

During the reconciliation process, FSA will contact the producer if there is an AGI certification problem.

QUALITY OF LOANED GRAIN

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

UNAUTHORIZED DISPOSITION OF GRAIN

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

HONEY LOANS

Honey loans are a type of marketing assistance loan and they are available until April 2, 2012. The national loan rate for honey is \$0.69 per pound. Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan. The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed. Honey used as collateral may not be disposed of without approval of FSA.

2012 DCP/ACRE SIGN-UP

2012 Direct and Counter-Cyclical Program (DCP) enrollment ends **June 1, 2012**. USDA computes DCP payments using 85 percent of the base acres times the payment yield established for each farm. Producers also have the option to enroll in the Average Crop Revenue Election (ACRE) Program. The optional ACRE program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. Here are some important reminders:

- All producers with an interest in DCP base acres must be included on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.
- All producers receiving a share greater than zero on the DCP/ACRE contract must sign the contract no later than June 1, 2012.
- There are no advance payments.
- Changes on the farm after enrolling June 1st in DCP/ACRE must be reported to your local FSA office such as:
 - Ownership changes
 - Producer changes (Individuals and Entities)
 - Change in crop shares arrangements
 - Note:** Changes cannot be made after Sept. 30, 2012.

ACTIVELY ENGAGED

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming for entities that are not landowners. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity must make contributions of active personal labor and/or active personal management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- at least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and
- the total direct payments received by the legal entity and each of the members can't exceed \$40,000.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan (FSFL) program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a minimum down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin. The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

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NEW CONTINUOUS CRP INITIATIVE

FSA announced a new conservation initiative to protect up to 750,000 acres of the nation's most highly erodible croplands. This initiative will assist producers with targeting their most highly erodible cropland (land with an erodibility index of 20 or greater) by enabling them to plant wildlife-friendly, long-term cover through the Conservation Reserve Program (CRP). The program is currently being developed and will be available sometime this summer. Producers are encouraged to contact their local FSA office or visit FSA's website at www.fsa.usda.gov/crp for additional information regarding CRP.

CRP MAINTENANCE AND RESPONSIBILITY REMINDERS

Conservation Reserve Program (CRP) participants are reminded that there are general responsibilities and maintenance requirements pertaining to CRP contracts. Refer to your Conservation Plan of Operations for specific guidelines. Compliance with the CRP contract is the participant's responsibility.

These are some general items (not inclusive):

- Practices must be established by the specified deadline and maintained throughout the contract term, which includes control of undesirable vegetation. Maintenance activities may not be performed during the primary nesting season of April 15 through July 15.
- Maintenance activity must be planned and completed to maintain the required practice cover. Failure to maintain can result in contract violation. One example is volunteer trees or brush in grassland practices where trees are not included as part of the approved practice in the conservation plan. All stands must be maintained by mowing, burning, or chemicals to control noxious weeds, trees/brush, pests, etc. Action must be taken to control existence and spread of noxious weeds. Mowing and/or chemical application is necessary if noxious weeds are present. All State designated noxious weeds such as Sericea Lespedeza, Musk Thistle, Johnson Grass and Bind Weed must be controlled.
- Haying, grazing or harvesting of CRP acres is not allowed. You may request to perform managed haying and/or grazing on your CRP acreage provided written approval is received by FSA before activity is performed.
- Recreational hunting is permitted on CRP consistent with State law and bag limits for the appropriate game.
- Firebreaks may be installed when included in conservation plan.
- CRP acreage may not be used for storage of any type, such as equipment, hay, municipal waste, and livestock waste/by-products. Check with FSA for other prohibited uses.
- Annual certification of CRP compliance must be completed before July 15 by filing an acreage report with FSA.
- FSA completes random inspections throughout the year to ensure CRP contracts are in compliance.

If you have any concerns or questions, please discuss with FSA or NRCS.

Primary Nesting Season is April 15 through July 15.